# Smart Grid Implementation Workshop Breakout Group Report

## Enabling New Products, Services, and Markets

June 20, 2008 Washington DC

## Major Findings/Caveats

- Characteristic is broad and may benefit from segmentation
  - New participants should be included as separate (utility, non-utility, and different user classes)
  - Treat services and products as distinct from markets
  - Look across the value chain; focus on customer value
- The regulatory environment must change to enable new products and services, and there must be regulatory recovery for alternative solutions
- "Market indicators" are excellent metrics for measuring new products, services, and markets (VC, startups, new non-core services, etc.)
- Need to focus on "new consumer" demographics (vs. rate payers) for development of new products, markets, and services

## Metrics for Measuring Progress

- 1. Regulatory recovery for alternative solutions
- 2. Number of products with end-to-end operability
- 3. New companies with ≥ \$100M in revenue
- 4. Amount of Venture Capital put into SG startups
- Number of new energy using residential products that were not available two years prior

- 1. Regulatory recovery for alternative solution
  - National database is expensive
  - Need to define alternative solutions
  - How do we define a smart grid investment?
  - Sources: National database, DOE study, FERC Form 1, Survey of State Commissions, NARUC/FERC Collaboration
  - How do we define "recovery" (such as rate-based, ROI incentive, tax depreciation, and other methods)?

#### 2. Number of products with end-to-end operability

- What is the scope as defined by industry standards?
- Who are the certification bodies?
- How are the criteria validated?
- Methods: Available market surveys, trade associations, vendor and utility polls and surveys
- What statistics should we use to measure interoperability, and how do we ensure market feedback

#### 3. New companies with ≥ \$100M in revenue

- Identifying related companies
- Defining the word "new"
- Defining the word "company"
- Sources: 10-Q sources, prospectus to venture capitalists, chamber of commerce, news releases, CEO interviews/surveys
- Determining whether revenues are related to SG deployment
- Obtaining proprietary info from companies

#### 4. Amount of VC put into SG startups

- Source and quality of data
- Potential sources: New energy finance and a national venture capitalist assoc.
- What is included and excluded in defining a smart grid investment? How do you define a SG investment?

- 5. Number of new energy using residential products that were not available two years prior
  - How to define a new product from two years prior (due to modifications, for example)
  - Sources: Available market surveys, trade associations, appliance retailers, residential HVAC control companies, lighting manufacturers
  - Which public/private entity tracks this metric
  - Which entity will be tasked with tracking Smart Grid, or will a business model emerge for providing this service?

### Path(s) Forward

- Review the characteristic in order to better develop metrics
- Consolidate the metrics across this workshop's seven characteristics
- Investigate availability of commission decision data (and other data)
   and associated costs required to support this characteristic
- Promote product, service, and market (business) best practices
- Facilitate a national framework across states, different types of utilities, etc. to improve the adoption of SG and the creation of products, services and markets
- Conduct SG investment forums (a la wind industry / ACORE)

### Suggestions for DOE

- Broaden participation of the SG Task Force beyond Federal agencies
- Establish clearinghouse to publish success stories on effective SG products, services, and market solutions
- Continue to be an advocate and assemble SG stakeholders
- Accelerate harmonization of state regulatory policies on SG implementation